

A G R E E M E N T

An agreement dated 9/28/81 between
Ardal og Sunndal Verk a.s. (hereafter called ASV)

and

Anaconda Aluminum Company, Division of the Anaconda Company,
(hereafter called Anaconda)

Whereas

Anaconda is considering modification of its existing 105 kA
Søderberg aluminium cells at Columbia Falls with respect to
busbar lay-out and wishes ASV's advice thereon,

Whereas

ASV has experience in modifying busbar systems by means of
mathematical model analyses of electro magnetics and is wil-
ling to advise Anaconda,

Whereas

ASV is the holder of US Patent 3,756,938 issued Sept. 4th,
1973, US Patent 4,194,958 issued March 25th, 1980, US Patent
4,176,037 issued November 27th, 1979, and US Patent
Application 171,539, (pending), all concerning compensation of
magnetic fields,

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Now, therefore, the parties hereto agree as follows:

1. SCOPE AND TRANSMISSION OF ADVICE

1.1 ASV shall, by conducting model analyses, undertake to examine the possibilities of modifying the busbar arrangement at Anaconda's 105 kA Soderberg electrolytic cells at Columbia Falls so that a rebuilding can be conducted in connection with pot relining, or during operations.

1.2 ASV shall propose and consider different rearrangements of the busbars and recommend a configuration which ASV feels confident will make it possible to reduce DC consumption (kWh/kg Al), the amount of metal in the cells and to improve the current efficiency by improving the electromagnetic conditions. ASV undertakes no guarantee for the improvement in yield figures which can be achieved by the new busbar configuration, but will give calculated estimates. The actual improvement achieved in practice will be determined by comparing a number of trial pots with a selected number of reference cells.

ASV guarantees that the vertical magnetic field in the center of the pot will have an absolute magnitude of less than ten (10) gauss.

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- 1.3 ASV's proposal shall state the calculated current distribution in the various parts of the busbar system, showing the calculations and intermediate results.
- 1.4 Anaconda shall itself be responsible for cathode design, but ASV will calculate the heat balance, and advise on cathode insulation.
- 1.5 The technological service offered by ASV shall not concern the mechanical strength or life of the potlining.
- 1.6 Anaconda shall be entitled to test ASV's proposed busbar rearrangement in ten (10) trial pots. Should the results of the trials prove uncertain, Anaconda will be entitled to extend to an additional ten (10) trial pots for a one-time fee of NOK 50,000. The fee is based on 1981-kroner. ASV shall have the right to adjust this fee each year at the end of the year in conformity with the Norwegian wholesale price index. ASV may check the current distribution in the modified busbar system.

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ASV shall undertake without any additional payment to give reasonable assistance in evaluating the results achieved and if necessary suggest changes.

- 1.7 Anaconda shall have the right to apply ASV's proposed busbar rearrangement in its existing Columbia Falls plant. Anaconda may exercise this option any time within a period of five (5) years after ASV has delivered its proposal.

Should Anaconda, during the option period, decide not to exercise this option, it shall promptly inform ASV to this effect by registered letter. At the same time - but before the expiry of the five-year period, should the option not have been exercised by then - Anaconda shall, if ASV so desire, promptly return to ASV by registered post all technical information received hereunder.

2. ASV shall submit to Anaconda a final report for a rearrangement of Anaconda's busbar lay-out within 3 months from the signing of this agreement.

3. REMUNERATION

- 3.1 For the model analyses conducted and the proposed busbar rearrangement, Anaconda agrees to pay ASV an one time fee of NOK 250,000.-, which falls due for payment one month after Anaconda receives

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ASV's final report. Payment of this fee includes the right to convert and use the test pots in the test period and thereafter without an additional fee.

3.2 In the event of the option to apply ASV's suggested busbar rearrangement in its existing plant at Columbia Falls being exercised by Anaconda in terms of clause 1.7 hereunder, Anaconda shall pay ASV a one time fee of NOK 20.- per installed mtpy converted capacity. The payment falls due each half year (Jan. 1st and July 1st) based on the installed capacity with modified busbar system. The fee is based on 1981 kroner. ASV reserves the right to adjust this fee each year at the end of the year in conformity with the Norwegian wholesale price index.

3.3 On payment received after thirty (30) days from the due date, interest will be charged, calculated on the basis of the interest on comparable bank loans available to ASV raised by six per cent per annum, on a day-to-day basis.

4. CONFIDENTIALITY OF INFORMATION

4.1 Anaconda shall not disclose, wholly or partly, to any third party, nor shall it use or permit third

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parties to use for any purpose other than that of this Agreement any technical information or other information disclosed to it, directly or indirectly, by ASV, relating to the compensation of magnetic fields in Söderberg electrolytic cells. All such technical and other information shall be disclosed in written identified as proprietary or confidential to ASV. Anaconda shall have no obligations with respect to any information, which Anaconda can show by legally sufficient evidence.

4.1.1 is at the time of the disclosure, or thereafter has become, a part of public knowledge or literature through no act or omission by Anaconda or its employees, or

4.1.2 had been independently developed by Anaconda or was otherwise in Anaconda's lawful possession as shown by written records prior to the disclosure and had not been obtained by Anaconda either directly or indirectly from ASV, or

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4.1.3 is hereafter disclosed to Anaconda by a third party who did not acquire the information either directly or indirectly from ASV, and who has the lawful right so to disclose such information to Anaconda.

4.2 Anaconda shall hold the Technical Information in confidence, and shall take all possible precautions to prevent the same from reaching third parties, except that Anaconda may disclose appropriated parts of the Technical Information to such of its staff members as reasonably require the same and provided that these staff members are made aware of obligations of confidence and restricted use in accordance with the terms hereof.

4.3 As to all such information, data, know-how, and technology other than those relating to know-how under the terms of this Agreement as Anaconda may obtain from ASV through inspection and observation of ASV's plants, discussion with ASV's personnel or otherwise, no right to license is granted to Anaconda hereunder and the secrecy obligations specified in the foregoing paragraph 4.1 shall apply to the said information, data, know-how, and technology.

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4.4 The obligations of Paragraph 4.1 shall apply mutatis mutandis to ASV with respect to information disclosed to or learned by ASV personnel pursuant to the performance of their obligations under this Agreement.

4.5 Notwithstanding the provisions of Paragraphs 4.1 and 4.2 above, Anaconda can disclose such part of the information as is necessary for the evaluation, construction and maintenance of ASV's suggested busbar rearrangement only to such consultants and contractors as have entered into an agreement with Anaconda containing like confidentiality obligations as herein set forth for Anaconda.

4.6 For the purpose of the provisions of this Section 4, specific information disclosed by either party to the other shall not be deemed to be in or to have come into the public domain or to be in the prior possession of the receiving party, or be thereafter acquired by the receiving party, merely because it is embraced by more general information thereafter acquired by the receiving party. In addition any combination of features shall not be deemed to be within the foregoing exception merely

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because individual features are in the public domain or in the possession of the receiving party.

4.7 The above obligations are binding upon each party for a period of ten (10) years from the date of this Agreement.

5. INFRINGEMENT

ASV declares to the best of its knowledge that ASV's recommended busbar configurations disclosed to Anaconda under this Agreement will not infringe any patents or rights of others and ASV will assist Anaconda in giving Anaconda written technical assistance in defending any lawsuit resulting from any infringement, provided, however, that ASV shall assume no monetary obligation therefor.

6. ASSIGNMENT

The rights and obligations hereunder shall not be assignable by Anaconda except to a purchaser of all or substantially all of the assets of Anaconda to which this technology pertains, and provided that such assignee accepts in writing all the provisions of this Agreement and agrees to be bound in all respects thereby in the place and instead of Anaconda.

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7. APPLICABLE LAW

This Agreement shall be construed and governed by the law of Norway.

8. ARBITRATION CLAUSE

Any disputes or contentions in connection with this Agreement shall, if possible, be settled in an amicable way. If, however, no understanding is reached, such disputes and contentions shall be finally settled by arbitration in accordance with the rules of Conciliation and Arbitration of the International Chamber of Commerce. The arbitration shall be held in Oslo, Norway, and shall be conducted in the English language. The award to be rendered shall be final and conclusive and binding upon the parties without any recourse. Judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction.

9. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. No amendment, modification or waiver of any provisions hereof shall be binding on either party unless set forth in writing and executed by both parties hereto.

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In witness whereof, the parties hereto have executed
this agreement as of the date first above written.

ANACONDA ALUMINUM COMPANY Årdal og Sunndal Verk a.s.
Division of the Anaconda
Company

31.8.1981

By Rolf Lorentz Title Technical Sales Manager
By Jed A. [unclear] Title V.P. [unclear]
9/28/81